

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

May 21, 2013

RE: Revisions to the *Renewables Portfolio Standard Eligibility Guidebook*

Dear Stakeholder:

The Energy Commission adopted the *Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition* on April 30, 2013. Several provisions in this new edition of the *RPS Guidebook* may impact the responsibilities of a facility that is RPS-certified, precertified, or represented in a pending RPS application.

The Energy Commission staff summarizes these new provisions below to help interested parties remain informed of requirements that may affect a utility or electric generating facility that they may represent. The provisions include the following:

- Eligibility date for precertified facilities
- Utility certified facilities
- Facilities serving Local Publicly Owned Electric Utilities
- Facilities using more than one fuel or energy resource
- Hydroelectric units with a capacity not exceeding 40 MW that are operated as part of a water supply and conveyance system
- WREGIS requirements for all certified facilities
- Facilities using biomethane, now defined as landfill and digester gas used onsite or offsite delivered through a dedicated or common carrier pipeline

A summary of how the new provisions in the *RPS Guidebook* affect facilities in each category is provided below. Please review the details in the *RPS Guidebook, Seventh Edition*, which may be found online at: www.energy.ca.gov/renewables/documents/index.html#rps.

Energy Commission staff encourages all facility applicants to sign up for the Renewables list server. The Energy Commission uses the Renewables list server to communicate with interested stakeholders about the renewable energy programs managed by the Renewable Energy Office, including the RPS Program. Notices of proposed changes to the *RPS Guidebook* are sent through this list server, allowing stakeholders to participate in and submit comments regarding RPS proceedings. You can sign up for the Renewables list server on the lower right corner of the RPS Proceeding page at: www.energy.ca.gov/portfolio/index.html.

Eligibility Date for Precertified Facilities

Facilities that are precertified as California RPS-eligible receive an RPS-eligibility date as described in Section IV B 3 of the *RPS Guidebook, Seventh Edition*. Historically, precertified facilities would retain this RPS-eligibility date so long as all subsequent applications for precertification or certification were approved. Once granted final approval for RPS

certification, all generation starting from the month of the RPS-eligibility date would have been considered RPS eligible.

With the adoption of the *RPS Guidebook, Seventh Edition*, an applicant of a precertified facility was required to submit an application for RPS certification within 90 days of the facility's commencement of commercial operations to retain its original RPS-eligibility date. If the application for RPS certification is submitted more than 90 days after commencing commercial operations, the facility would be issued a new RPS eligibility date based on the submission date of the application for certification.

With the adoption of the seventh edition of the *RPS Guidebook*, a precertified facility submitting an application for certification more than 90 days after its commercial operations date may retain the originally assigned eligibility date only if the application for certification was received by the Energy Commission before the adoption of the seventh edition of the *RPS Guidebook* (April 30, 2013).

Similarly, a certified facility must submit an amended application for certification within 90 days of the change in the facility's operations that triggered the need to amend its certification to retain the RPS eligibility date associated with the most recent approved RPS certification application.

For details relating to this change, please see Section IV B 3: Eligibility Date of the *RPS Guidebook, Seventh Edition*.

Utility Certificated Facilities

A utility-certified facility, which has an "E" suffix on its RPS ID number, is only eligible for the generation procured under the existing contract with that utility. Except for CPUC-ordered extensions to existing QF power purchase contracts, the RPS certification becomes void in the event the facility's contract with the utility expires, is voluntarily extended, or is otherwise renegotiated by the utility and the facility operator.

The contracting utility may only count the amount of generation occurring after the termination date of the contract if the facility operator, or agent thereof, submits an application for RPS certification to the Energy Commission using a CEC-RPS-1 form no later than 90 days after the contract expires, is voluntarily extended, or is otherwise renegotiated by the utility and the facility operator. With the adoption of the *RPS Guidebook, Seventh Edition*, any revision to the contract will be considered a renegotiation and will void the previously awarded utility certification and require the submission of an amended certification application form.

If an application for certification was received and subsequently approved by the Energy Commission before the adoption of the *Seventh Edition of the RPS Guidebook* (April 30, 2013), then the amount of generation occurring after the termination or renegotiation date of the initial contract with the utility may retain the eligibility awarded in the original utility certification for the period of time predating the submission of the CEC-RPS-1 form to the Energy Commission.

To prevent potential loss of RPS eligible generation due to delayed submission of an RPS certification, all representatives of utility-certified facilities are encouraged to submit an RPS certification application using a CEC-RPS-1 form regardless of the expiration date of the original contract.

With the adoption of the *RPS Guidebook, Seventh Edition*, utilities must submit a CEC-RPS-1 application for all facilities that it owns that are currently utility-certified.

For more information on Utility-Certified Facilities see Section IV A 5 of the *RPS Guidebook, Seventh Edition*.

Facilities Serving Local Publicly Owned Electric Utilities

A facility serving a publicly owned electric utility (POU) must be RPS certified for its generation to count for RPS compliance. In limited cases, the Energy Commission will count generation from a facility under contract with or owned by a POU beginning on January 1, 2011, if an application is received by December 31, 2013.

If the generation occurred before adoption of the *Renewables Portfolio Standard Eligibility Guidebook, Fifth Edition*, the Energy Commission must determine that the facility met the eligibility requirements of the *Renewables Portfolio Standard Eligibility Guidebook, Fourth Edition* at the time the generation occurred, to count toward the POU's RPS. Generation meeting these requirements may only be counted toward the RPS procurement obligations of a POU.

For specific language relating to this change please see Section IV B 3: Eligibility Date of the *RPS Guidebook, Seventh Edition*.

Facilities Using Multiple Fuels or Energy Resources

The seventh edition of the *RPS Guidebook* requires a multifuel facility using any nonrenewable fuel to report its fuel use information to the Energy Commission annually.

Additionally, the *RPS Guidebook* set the allowable de minimis amount of nonrenewable fuel use to count 100 percent of the facility's output for the RPS for facilities that participated in the Energy Commission's former Existing Renewable Facilities Program (ERFP). This allowance is set separately for biomass and solar thermal facilities:

- Biomass: 5 percent nonrenewable fuel use through the end of the facility's electricity procurement contract with the utility that was in place at the time the ERFP program ended or through 2013, whichever is later. These facilities will be subject to the standard de minimis requirements thereafter.
- Solar thermal: retains 25 percent nonrenewable fuel use, to be evaluated in a future edition of the *RPS Guidebook*.

For the new requirements regarding nonrenewable fuel use, see Section III B: Renewable Facilities Using Multiple energy Resources of the *RPS Guidebook, Seventh Edition*.

Existing Hydroelectric Units with a Capacity not Exceeding 40 MW that are Operated as Part of a Water Supply or Conveyance System

Generation from an existing small hydroelectric generation unit up to 40 MW that is operated as part of a water supply or conveyance system that is RPS-certified by the Energy Commission may count toward a retail seller's or POU's RPS target beginning on January 1, 2011, if an application for certification is received by the Energy Commission no later than 90 days after the adoption date of the *RPS Guidebook, Seventh Edition* (April 30, 2013), and that application is subsequently approved.

For specific language relating to this change please see Section IV B 3: Eligibility Date of the *RPS Guidebook, Seventh Edition*.

WREGIS Requirements for all Certified Facilities

All generation from facilities certified as eligible for California's RPS must be tracked in WREGIS, with the limited exceptions for 2011-2012 generation noted in the *RPS Guidebook, Seventh Edition*, for generation procured under an AB 920 program before October 1, 2012, and for facilities serving POUs. Applicants for these facilities must have provided the WREGIS Generating Unit Identification number (GU ID) for each certified facility to the Energy Commission by October 1, 2012, or when applying for RPS certification, if later.

The *RPS Guidebook, Seventh Edition*, now requires the applicant of an RPS-certified facility to notify the Energy Commission in writing within 90 days of a change in its status in the WREGIS system.

For more information please see Section III A 1: WREGIS and Section IV: Certification of the *RPS Guidebook, Seventh Edition*.

Biomethane Facilities

The *RPS Guidebook, Seventh Edition*, implements Assembly Bill 2196, which modified the eligibility requirements of facilities using biomethane, now defined as landfill gas or digester gas used onsite or offsite and delivered through a dedicated or common carrier pipeline. All biomethane facilities, including those previously certified, are now required to submit a complete CEC-RPS-2196 form and related supplemental forms and documents no later than 90 days after the adoption of the *RPS Guidebook Seventh Edition* (April 30, 2013). In addition, new reporting requirements are set forth in the seventh edition of the *RPS Guidebook* for all facilities using biomethane.

For more information please see Section II C: Biomethane of the *RPS Guidebook, Seventh Edition*.

If you have questions after reviewing the pertinent sections of the *RPS Guidebook, Seventh Edition*, please contact Mark Kootstra, 916-653-4487 or <Mark.Kootstra@energy.ca.gov>.

May 21, 2012

Page 5

For questions on the certification, precertification, amended certification, or amended precertification process, please contact Christina Crume, 916-654-4674 or [<Christina.Crume@energy.ca.gov>](mailto:Christina.Crume@energy.ca.gov).

Sincerely,

Kate Zocchetti

Technical Director, RPS Program